

REPORT

FROM

THE SECRETARY OF THE TREASURY,

IN COMPLIANCE

*With a resolution of the Senate of the 7th instant, transmitting a copy
of a circular to collectors and receivers of public moneys.*

JUNE 8, 1838.

Laid on the table, and ordered to be printed.

TREASURY DEPARTMENT,

June 8, 1838.

SIR: In compliance with the resolution of the Senate, passed yesterday, "That the Secretary of the Treasury communicate to the Senate a copy of any order or circular issued by him to the collectors or receivers of public money, since the passage of the joint resolution of the 1st of June, 1838, relating to the public revenue and dues to the Government," I have the honor, herewith, to transmit a copy of a circular issued on the 1st instant. It is the only circular, or order, issued by me to "collectors or receivers of public money since the passage of the joint resolution" of the 31st of May, 1838, "relating to the public revenue and dues to the Government."

I have the honor to be,

Very respectfully,

Your obedient servant,

LEVI WOODBURY,

Secretary of the Treasury.

Col. R. M. JOHNSON,

Vice President of the United States,

and President of the Senate.

[CIRCULAR.]

To all collectors and receivers of public money.

TREASURY DEPARTMENT,

June 1, 1838.

By a resolution, passed the 31st ultimo, Congress has declared "that it shall not be lawful for the Secretary of the Treasury to make, or to continue in force, any general order which shall create any difference between the

different branches of revenue, as to the money, or medium of payment, in which debts or dues accruing to the United States may be paid."

To carry this resolution into effect, it has become necessary to issue new instructions to collectors and receivers of public money.

By the present laws, specie and Treasury notes alone are expressly made receivable for all kinds of public dues, and you will, of course, continue to take them till otherwise instructed.

A circular was issued under the direction of the President of the United States, on the 11th of July, 1836, which, after a certain period, prohibited any currency from being taken in payment of the public lands except specie, no authority for the issue of Treasury notes being then in existence.

This circular did not order any different medium to be taken for duties, yet the various reasons contained in it were not applicable to the revenue from customs, and a practice had existed before, and has been continued since, to receive bank notes of a certain character in payment of duties.

In this condition of things, and without any new legislation either to extend the provisions of that circular to every branch of the revenue, or to abolish the practice of taking bank notes for any branch of it, Congress directed, by the resolution above quoted, that no difference or discrimination shall be created or continued in force by any general order emanating from this department. It has thus been made the imperative duty of the Secretary of the Treasury to either require the collection of the whole revenue, in all its branches, in gold, or silver, or Treasury notes, or to permit, under such restrictions as the existing laws impose, and as the safety of the public money may seem to require, the acceptance of bank notes for lands sold, as well as for other public dues.

However desirable it may be on some accounts that the receipts and payments of the General Government shall be in the currency provided in the constitution, and however inexpedient it may be to give undue encouragement to a different currency, which, by its fluctuations in quantity and value, often renders the wages of labor uncertain, gives instability to the value of property, and thus enables the artful to accumulate wealth at the expense of the unwary, it is not believed that this department can find a sufficient warrant in the proceedings of Congress, or in public opinion, to justify the sudden and total exclusion, at this time, of the notes of specie-paying banks from reception for public dues of every description.

Important changes have also taken place since July, 1836, in the condition of the banks and of business generally, which have diminished the necessity for unusual checks on excesses and overactions.

Influenced by these considerations, and by a desire to accommodate the public debtors as far as is compatible with the restrictions of law and the safety of the pecuniary interests committed to my care, I feel bound to enforce the uniformity now required, by availing myself of the permission given in the resolution of 1816 to receive the notes of banks, and by extending, under suitable limitations, the receipt of such notes equally to all branches of the public revenue.

The limitations as to the character of the notes receivable will be such as are required by express laws, or by necessary implication. Some of these limitations have always, except at one brief interval, been adopted in practice since the formation of the constitution, and are deemed essential to maintain a sound currency, so indispensable to the prosperity of trade and a healthy state of public morals. Others have been introduced more

recently, to promote fiscal convenience, the public security, and an equal standard of value.

1st. You will, in conformity to the obvious intent of the resolution of 1816, take such bank notes only as are "payable, and paid on demand, in the legal currency of the United States."

2d. You will receive none of a less denomination than twenty dollars; the reception of all smaller denominations being virtually prohibited by the second section of the act of April 14, 1836, which forbids their being paid out to any creditor of the United States. Though smaller notes offered for duties could, from the nearness of banks in most seaports, be taken and easily exchanged before making payments, yet, from the remoteness of many land offices from banks, this could not be effected there without much delay and expense, and, as uniformity is now required, the provision must be made general.

3d. Nor will you accept bank notes of any denomination unless the same be "payable, on demand, in gold or silver coin, *at the place where issued;*" and "equivalent to specie at the place where received, as is substantially required by the last mentioned act in respect to payments. These requirements can, in the opinion of the department, be enforced with greater certainty, and unnecessary risk and loss more surely avoided, by confining the receipt, as has been the usage at some former periods, to the notes of banks situated within your State and in the adjoining States. The credit of these notes can usually be best known, counterfeits of them more easily detected, and specie obtained for them with less delay when it is wanted for public purposes.

4th. You will not take the notes of any bank which, since the 4th of July, 1836, has issued "any note or bill of a less denomination than five dollars," the notes of all such banks being expressly excluded by the eighth section of the act of the 23d June, 1836.

Great care will be expected from you in carrying into effect this and all former circulars still in force; and particularly is it enjoined that receivers be vigilant to furnish every facility to the registers for making the monthly examinations, recently required, of the funds and vouchers on hand, and to guard against the imposition upon the land offices of bank notes not safe or equivalent to specie, and not well known to be receivable according to the spirit of these instructions, and the manifest intentions of the acts of Congress which they are designed to enforce.

Respectfully,

LEVI WOODBURY,
Secretary of the Treasury.

